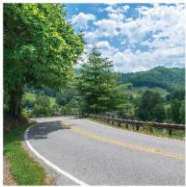




NORTH CAROLINA

Department of Transportation



NCDMV License and Theft Investigative Assistance Regarding the DWI/ Felony Speeding to Elude Vehicle Seizure Program Audit

April 10, 2018



Objective

Determine the disposition of 234 specific vehicles identified by the State Auditor as entering the DWI/Felony Speeding to Elude Seizure Program within the timeframe of July 1, 2011 and June 30, 2016.

Background

- NC State Auditor Investigators released a Financial Related Audit Report regarding the “DWI/Felony Speeding to Elude Vehicle Seizure Program” in September, 2017
- Due to statutory authority, State Auditor Investigators requested assistance from North Carolina Division of Motor Vehicles, License & Theft Bureau (LTB) regarding 234 vehicles identified in the report
- NCDMV Commissioner’s Office and License & Theft Bureau assembled a team of sworn Inspectors to investigate the vehicles in question

License & Theft Bureau

- Selected a team to attempt to locate 234 vehicles
- Appointed Three (3) lead Inspectors
- Fifty-nine (59) LTB personnel involved across N.C.
- Roughly Five(5) month investigation
- Utilized approximately 3,500 investigative hours for this assessment

Distinctions

- Two (2) contractors:
 - Martin Edwards & Associates (MEA)
 - Eastway Wrecker Service (EWS)
- Inspectors visited courthouses, towing services, contractors, individuals and law enforcement
- Forty-two (42) scenarios of vehicle disposition

Summary of Vehicles (MEA)

The Auditor's initial report:

- 221 of the vehicles identified under the purview of the eastern contractor, Martin Edwards & Associates.
- Of these 221 identified, 3 basic categories:
 - Non-Program Seizure Vehicles (28)
 - Released Program Seizure Vehicles (103)
 - Program Seizure Vehicles (90)

Non-Program Seizure Vehicles (MEA)

- 28 were determined to be non-program seized vehicles.
- These were vehicles that were erroneously reported to DMV as program seizures; however, they were not officially seized pursuant to the program.

Released Program Seizure Vehicles (MEA)

- 103 of the 221 vehicles were determined to be seized pursuant to the program but were subsequently released back to the owners.
- These vehicles were released to the owners by various entities including:
 - court system,
 - charging law enforcement agencies
 - the initial towing contractors.

Program Seizure Vehicles (MEA)

The remaining ninety (90) vehicles were seized pursuant to the program, but were not properly released to the owners by court order or other judicial process.

Summary Of Eastway Wrecker Service Program Vehicles

- All 13 vehicles identified in EWS's purview were determined to be program-seized vehicles.
 - 12 were subsequently released to their owners on court orders and
 - 1 was sold by EWS at auction.

NOTE: One (1) vehicle was erroneously reported on the VIN list of MEA vehicles and found to be processed by Eastway, bringing the actual Eastway total to 14 vehicles. This vehicle's disposition is included in the MEA section of this report.

Key Findings

Improper Release Incorrect Seizure



Incorrect Interpretation of Law

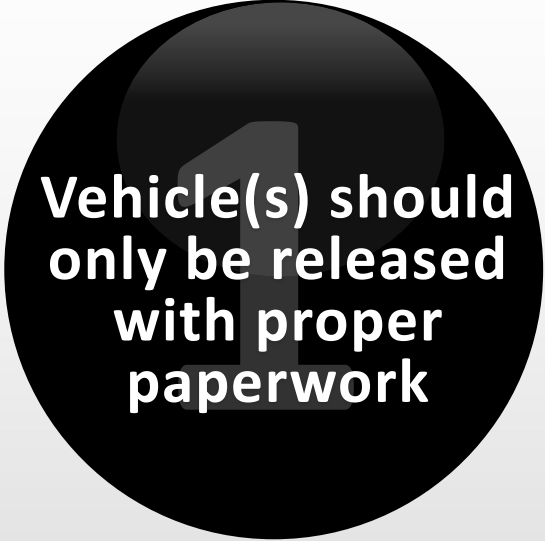
**Various
misinterpretations
of N.C.G.S 20-28.3**

Improper Retrieval of Vehicles

**Vehicle(s) were
not picked up by
vendor from tow
company**


Key Recommendations

Require Proper Paperwork




1
Vehicle(s) should
only be released
with proper
paperwork

Records Maintenance



2
Towing facilities
should maintain
detailed program
vehicle records

Provide Training




**Training on the
seizure program**

On-site VIN Verifications



**Law enforcement
should verify VIN
on-site**

Department of Administration Audit



**DOA should
conduct regular
audits of
contractors**

Contact:

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License & Theft Bureau
Division of Motor Vehicles